

**AGENDA ITEM 4**  
**TABLE 1A - STATUS OF INTERNAL AUDIT PROJECTS**  
**AS OF JUNE 30, 2005**

Item	Description of Audit	Status
	<b>Internal Audit Projects</b>	
1	Employer records backfile quality monitoring (FY 2003-04 Plan)	Complete
2	Investment performance reconciliation	Complete
3	Business Solution Workflow post implementation review	Complete
4	Enterprise wide risk assessment and audit plan update (FY 2003-04 Plan)	Complete
5	Interagency agreement with State Controller's office (FY 2003-04 Plan)	Complete
6	Health Insurance Portability and Accountability Act implementation	Complete
7	Annual review of software management plan	Complete
8	Operational recovery – SAM 4843 compliance	Complete
9	Member self-service project post implementation review (FY 2003-04 Plan)	Complete
10	COMET backbridge – refresh quality assurance process (FY 2003-04 Plan)	Complete
11	Enrollment reconciliation with health plans and participating agencies (FY 2003-04 Plan)	Complete
12	Social Security Administration for the State	Complete
13	Data ownership	Complete
14	Reconciliation of investment accounts in general ledger	Complete
15	Health care cash flow for self-funded plans	Complete
16	Consulting contracts for alternative investments	Complete
17	Communications with public agencies & members for consistency, accuracy and completeness (FY 2003-04 Plan)	Complete

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<b>Item</b>	<b>Description of Audit</b>	<b>Status</b>
	<b>Internal Audit Projects (continued)</b>	
18	Review of unclaimed benefits – Beneficiaries not identified	Complete
19	Additional retirement service credit (Airtime)	Complete
20	Internal controls over incentive compensation	Complete
21	Implement continuous monitoring initiative – Fraud risk assessments	Complete
22	Enterprise wide risk assessment and biennial audit plan	Complete
23	System back-up and archival process	Complete
24	AESD and BNSD Process for establishing policies (FY 2002-03 Plan)	Complete
1	Financial Integrity and State Manager's Accountability Act (FISMA FY 2003-2005)	In Progress –Draft Issued
2	Lincoln Plaza building manager fiscal accountability	In Progress –Draft Issued
3	Enterprise wide decentralized access approval	In Progress –Draft Issued
4	Triennial review of contract activities	In Progress –Draft Issued
5	PeopleSoft Financial System integrated audit	In Progress –Draft Issued
6	Prime broker	In Progress –Draft Issued
7	State Street client specific	In Progress –Draft Issued
8	Absolute return strategy	In Progress –Draft Issued
9	Transfer of Medicare eligible members to Medicare plan	In Progress –Draft Issued
10	Unix operating system and security	In Progress- Fieldwork
	<b>Internal Audit Projects (continued)</b>	

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<b>Item</b>	<b>Description of Audit</b>	<b>Status</b>
11	Controls over benefit adjustment process	In Progress- Fieldwork
1	Employer Reserve System	Deferred*
2	Annual review of software licensing (SAM 4846)	Deferred*
3	Travel guidelines for investment staff	Deferred*
4	Business operations and customer relations environment	Deferred*
5	Record management unit	Deferred*

	<b>Consulting Projects</b>	
1	Headquarters activation and occupancy planning (FY 2003-04)	Complete
2	EMBARC consulting	Complete
3	Straight through processing – ongoing consulting	Complete
4	Data Center move to R Street	Complete

	<b>Audit Follow-Up</b>	
1	Annual monitoring and resolving of internal audit findings and reporting to Board	Complete
2	Monitoring and resolution of real estate audit findings and reporting to Board	Complete

\*Projects were deferred based on available resources and included in annual recalibration of audit plan.